

Message Text

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PAGE 01 TOKYO 06905 111057Z

ACTION EB-07

INFO OCT-01 EA-07 ISO-00 CAB-02 CIAE-00 COME-00
DODE-00 DOTE-00 INR-07 NSAE-00 EPG-02 FAA-00
SSO-00 INRE-00 L-03 NSC-05 NSCE-00 SS-15 /049 W
-----111108Z 010375 /15

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FM AMEMBASSY TOKYO

TO SECSTATE WASHDC IMMEDIATE 7649

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E.O. 11652: GDS

TAGS: EAIR, JA

SUBJECT: US-JAPAN CIVIL AIR NEGOTIATIONS

1. SUMMARY: INFORMAL MEETINGS CONTINUED TUESDAY AND WEDNESDAY AFTERNOONS ON IMMEDIATE ISSUES WITH POSSIBILITY PROGRESS AND SOLUTION ON SLOTS FOR U.S. SUPPLEMENTAL AIRLINES AND PANAM'S OSAKA-HONOLULU CAPACITY, BUT WITH NO RESOLUTION OF ISSUES OF DAILY AIR MICRONESIA SERVICE AND GENERAL CAPACITY ARRANGEMENTS PROPOSED BY JAPANESE. AT PLENARY WEDNESDAY MORNING, USDEL ELABORATED ON STATEMENT IT MADE IN APRIL TALKS ON REVISION ISSUES AND SAID THAT, ASSUMING RESOLUTION IMMEDIATE ISSUES THIS WEEK, U.S. PREPARED SET DATE FOR RESUMPTION REVISION TALKS AND ELEVATE LEVEL DELEGATIONS. JAPANESE MADE NO RESPONSE ON SUBSTANCE OF REVISION ISSUES, BUT PROPOSED SPECIFIC SCHEDULE FOR REVISION TALKS. USDEL SAID IT WOULD HAVE TO CONSULT WITH WASHINGTON ON DATES. WE NEED RESPONSE ASAP. END SUMMARY.

2. STATUS OF IMMEDIATE ISSUES IS AS FOLLOWS:

A. SAIPAN SERVICE. SLOTS FOR AIR MICRONESIA'S FOUR FLIGHTS ARE VIRTUALLY GUARANTEED. JAPANESE ARE NOT BUDGING ON DAILY SERVICE QUESTION AND INDICATIONS ARE THIS IS FIRM POSITION.

B. SLOTS FOR U.S. SUPPLEMENTALS. ALTHOUGH WE STILL HAVE TO GO THROUGH DETAILED EXERCISE OF MATCHING UNUSED U.S.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 TOKYO 06905 111057Z

SCHEDULED AIRLINE SLOTS WITH TIA'S AND WORLD'S NEEDS THIS SUMMER, CHANCES ARE GOOD THAT THIS PROBLEM CAN BE RESOLVED, AT LEAST FOR THIS YEAR. (NACA REP APPEARS SATISFIED WITH DIRECTION USDEL IS TAKING).

C. PANAM CAPACITY. JAPANESE THREW IN NEW FACTOR, NAMELY NOISE LIMITATION AT OSAKA WHICH THEY SAID MADE IT IMPOSSIBLE OPERATE LONG RANGE FLIGHTS FROM OSAKA TO PLACES SUCH AS HONOLULU.

AFTER FULL DISCUSSION WITH PANAM REGARDING ITS ACTUAL NEEDS THIS SUMMER, WE GAVE JAPANESE A NEW U.S. PROPOSAL WHICH CALLED FOR DAILY OSAKA-HONOLULU SERVICE AT 99 PERCENT SEAT FACTOR, BUT ONLY FOR A

FIVE WEEK PERIOD IN JULY AND AUGUST. PANAM'S GUAM PROGRAMS WOULD CONTINUE BE HANDLED AS EXTRA SECTIONS. THUS, PANAM NEEDED SIX ADDITIONAL OSAKA SLOTS ONLY DURING THIS FIVE WEEK PERIOD. WE ALSO NOTED PANAM HAD OPERATED OSAKA-HONOLULU FLIGHTS BEFORE WITHIN OSAKA NOISE LIMIT AND PANAM WAS SATISFIED IT COULD DO SO

AGAIN THIS SUMMER. JAPANESE DELEGATION, WHICH APPEARED GENUINELY SURPRISED BY OUR DETAILED HOMEWORK, PROMISED REVIEW MATTER AGAIN AND RESPOND THURSDAY.

D. CAPACITY ARRANGEMENTS. ON TUESDAY AFTERNOON, JAPANESE INJECTED NEW ELEMENT BY AGAIN RAISING FIFTH FREEDOM PASSENGER OPERATIONS OF U.S. AIRLINES. IT INVITED U.S. COMMENT ON SUGGESTION THAT CAPACITY BEYOND JAPAN BE LIMITED TO THAT NECESSARY CARRY TRANSIT AND STOPOVER TRAFFIC AT 50 PERCENT SEAT FACTOR. IT GAVE RESULTING COMPUTATIONS (BASED ON JAPANESE DATA) WHICH WOULD, FOR EXAMPLE, REDUCE NWA FROM 28 BEYOND FLIGHTS TO 11 AND REDUCE PANAM FROM 10 TO 5 FLIGHTS. WE REACTED IMMEDIATELY THAT THIS NEW ATTEMPT TO OBTAIN LEVERAGE IN REVISION TALKS WAS TOTALLY UNACCEPTABLE. IT WAS ONE THING TO RAISE QUESTION AND ASK FOR NORMAL EXPOST FACTO REVIEW, AS PROVIDED IN AGREEMENT, BUT IMPLICATION OF JAPANESE SUGGESTION WENT FAR BEYOND THIS. WE SAID THIS COULD NO LONGER BE VIEWED AS AN IMMEDIATE ISSUE; IT WAS A REVISION ISSUE AND COULD BE DISCUSSED ONLY IN THAT CONTEXT. WE CLOSED OFF DISCUSSION BY SAYING WE WANTED TO "BURY" ISSUE UNTIL REVISION TALKS.

CONFIDENTIAL

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PAGE 03 TOKYO 06905 111057Z

E. FREIGHTER CAPACITY. FORMAL FILINGS WILL BE MADE THURSDAY, BUT WE HAVE GIVEN JAPANESE COPIES INFORMALLY AND WILL PRESENT JUSTIFICATION THURSDAY. JAPANESE HAVE IMPLIED THEY MAY GO ALONG WITH SOME OF SUBSTITUTIONS, BUT "PROBABLY NOT ALL."

3. AT PREARRANGED PLENARY WEDNESDAY MORNING, USDEL GAVE A SLIGHTLY RECAST VERSION OF ITS APRIL STATEMENT ON REVISION ISSUES. (TEXT WILL BE SENT LATER). CLOSING PART WAS AS FOLLOWS: "WE ARE ENGAGED THIS WEEK PRINCIPALLY IN FINDING SOLUTIONS TO SO-CALLED IMMEDIATE ISSUES. I DO NOT WANT TO DISCUSS THOSE AT THIS TIME, ALTHOUGH I HAVE TO SAY THAT THE LACK OF PROGRESS TO DATE IS DISCOURAGING AND COULD COMPLICATE RESOLUTION OF THE REVISION ISSUES. HOWEVER, WE HAVE MADE CLEAR BEFORE, AND I WISH TO CONFIRM AGAIN, THAT THE USG IS COMMITTED TO RESOLVING THE REVISION ISSUES AS QUICKLY AS POSSIBLE. ASSUMING SATISFACTORY DEVELOPMENT AND CONCLUSION OF THE IMMEDIATE ISSUES, THE USG IS PREPARED TO SET A DATE FOR RESUMPTION OF THE REVISION TALKS, PROBABLY IN JULY, WITH

OBJECTIVE REACHING AN AGREEMENT ASAP. AT THE SAME TIME, WE BELIEVE IT WOULD BE APPROPRIATE TO ELEVATE THE LEVEL OF THE DELEGATION IN THE REVISION TALKS TO REFLECT THE IMPORTANCE BOTH GOVERNMENTS ATTACH TO THEIR SUCCESSFUL CONCLUSION. THE MODALITIES SHOULD, OF COURSE, BE DISCUSSED THROUGH DIPLOMATIC CHANNELS."

4. JAPANESE SAID THEY WOULD RESPOND ON SUBSTANTIVE ISSUES IN WRITING, BUT PROBABLY NOT BEFORE THE END OF THIS WEEK. YAMAZAKI OF MOFA, WHO WAS IN CHAIR, PROPOSED FOLLOWING DATES FOR REVISION TALKS: JULY 11 FOR ONE WEEK, SEPTEMBER 5 FOR TWO WEEKS, AND NOVEMBER 7 FOR AT LEAST TWO WEEKS, WITH OBJECTIVE OF REACHING AGREEMENT BY END OF YEAR. WE REPLIED NO OBJECTION IN PRINCIPLE, BUT WE WOULD HAVE TO ASK WASHINGTON RE DATES. YAMAZAKI ALSO ASKED WHAT LEVEL U.S. PROPOSED FOR TALKS. WE AGREED CONSULT WASHINGTON.

CONFIDENTIAL

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PAGE 04 TOKYO 06905 111057Z

5. ACTION REQUESTED. IF IMMEDIATE ISSUES RESOLVED THIS WEEK, WE BELIEVE IT IS IMPORTANT THAT USDEL BE ABLE CONFIRM DATE OR DATES FOR REVISION TALKS AND GIVE SOME INDICATION LEVEL WE PLAN FOR DELEGATION CHAIRMAN. STYLES SUGGESTS WE ACCEPT JULY 11 DATES BUT IN LIEU SEPTEMBER PROPOSE FIRST HALF OCTOBER (ICAO ASSEMBLY IS IN SEPTEMBER AND STYLES HAD VACATION IN MIND FOR SEPTEMBER). LAST MEETING SHOULD THEREFORE BEGIN NOVEMBER 14 OR 21 TO ALLOW AT LEAST FULL MONTH INTERVAL. JAPANESE WANT FULL SCHEDULE FOR MEETINGS RESERVED BECAUSE THEY RECOGNIZE U.S. SCHEDULING DIFFICULTIES. AS FOR LEVEL DELEGATION, WE NEED WASHINGTON GUIDANCE, BUT WISH POINT OUT IT IS NECESSARY AT THIS POINT ONLY TO MENTION LEVEL (E.G., ASSISTANT SECRETARY LEVEL), NOT INDIVIDUAL. OF COURSE, IF IMMEDIATE ISSUES NOT RESOLVED, WE SHOULD DEMUR ON FIXING DATES, BUT WE SEE NO REASON NOT TO MENTION LEVEL.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CIVIL AVIATION, MEETING REPORTS, NEGOTIATIONS, SUPPLEMENTAL AIRLINES
Control Number: n/a
Copy: SINGLE
Sent Date: 11-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977TOKYO06905
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770165-0850
Format: TEL
From: TOKYO
Handling Restrictions: n/a
Image Path:
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Legacy Key: link1977/newtext/t19770568/aaaacgkx.tel
Line Count: 157
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Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 61623096-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
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Review Event:
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Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2556550
Secure: OPEN
Status: NATIVE
Subject: US-JAPAN CIVAIR NEGOTIATIONS
TAGS: EAIR, JA, US
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/61623096-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009